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William F. Caton  
April 10, 1997  
Page 2

PubCom and delivers a letter of agency ("LOA") attesting to the IPP's right to take over service at the location.

Exhibit A attached to this letter is a notice Pacific Bell provided in January 1994, informing IPPs of changes in Pacific's process for handling payphone regrades. CPA and its IPP members had been working with Pacific for years to achieve this kind of process, which has been fairly effective in managing and resolving disputes over location rights. Important elements of the process have been the COPT Service Center's interface role and the assignment to particular IPPs of account representatives who have become informed and efficient in handling service orders on behalf of their IPP "clients."

It is our understanding that over the past two weeks, Pacific Bell has taken the following steps, without any written notice to IPPs, to dismantle some of the most beneficial aspects of COPT Service Center procedures:

- Eliminating the assignment of account representatives to particular IPPs.
- Requiring that all calls to the COPT Service Center be directed to a single telephone number, from which tasks will be assigned among account representatives without regard to past working relationships.
- Requiring that payphone service "regrade" orders – requesting conversion of a PubCom coin line to an IPP COPT line – no longer be directed in the first instance to the COPT Service Center, but rather be directed to PubCom.
- Eliminating the provision of "cut sheets" to memorialize future due dates for COPT service installations, leaving IPPs forced to rely on an after-the-fact confirmation letter process that has been very imperfect.
- Refusing to process "supersedure" orders – requesting conversion of responsibility for a COPT line from one IPP to another IPP – until any past due balance on the superseded account has been paid, and rejecting such service orders rather than holding them open until payment has been made

In practical terms, these changes in order processing procedures are a disaster. PubCom has been completely unprepared to address service orders received from IPPs and has stated as much to those seeking to place such orders. Service "regrade" orders simply are not being processed by Pacific Bell. The same is true



William F. Caton  
April 10, 1997  
Page 3

for large numbers of more routine customer service tasks, such as billing address changes. COPT Service Center representatives have informed IPPs that such tasks have been placed on hold because all available resources are being devoted to "one large project" – which is understood to be the system record changes required to account for all PubCom coin lines as tariffed COPT Coin lines. As a result, the business operations of numerous IPPs are being disrupted due to Pacific Bell's preferential treatment of its internal PSP.

One feature of the service ordering process that Pacific apparently is not changing is the distinction between "regrades" and "supersedures." In fact, the refusal of the COPT Service Center to process "regrade" orders to install IPP stations in place of PubCom phones demonstrates Pacific Bell's refusal to treat PubCom on the same terms as other PSPs.

If the nondiscrimination standard of Communications Act Section 276(a)(2) is to be met, Pacific Bell will have to refer all "reciprocal regrade" orders from PubCom for replacing IPP stations to the affected IPP for "processing" before Pacific Bell can assign a line to connect PubCom payphones at such locations. Alternatively, and preferably, Pacific will allow its COPT Service Center to resume the processing of all service installation and service change orders on a basis that no longer discriminates between PubCom and competing PSPs.

The changes Pacific Bell has made in COPT Service Center procedures – without any written notice to IPPs – contradict a number of assurances Pacific has provided in its CEI Plan and in its responses to comments on that Plan. For example:

- The CEI Plan's assurance (at p. 2) that Pacific will take all basic network services used to provide payphone service on the same terms and conditions as are available to all independent PSPs is unfounded.
- The CEI Plan's assurance (at p. 7) that Pacific's procedures governing installation of network services "neither depend on nor are affected by, the identity of the PSP" is unfounded.
- The CEI Plan's assurance (at p. 8) that the COPT Service Center ("CSC") "accepts service orders for payphone services from PSPs or their authorized agents" and that PubCom "will place orders for network services with the CSC in the same way as do other PSPs" is unfounded, at least in the case of "regrade" orders.



- The assurance in Pacific's Reply Comments (at p.29) that "these procedures will remain the same 'when a location provider changes a PacTel payphone division payphone to an IPP payphone,' or vice versa" is particularly unfounded. To the contrary, the CSC is now refusing to process IPP service orders that require removal of PubCom stations. This can be characterized as "stay[ing] out of the conflict" (*id.* at 30), but it leaves IPPs no recourse to have their service orders filled if PubCom (when it gets around to it) insists that it can sustain its claim to the location. The CSC has unilaterally abandoned its past role of facilitating prompt resolution of such conflicting claims.
- The CEI Plan's assurance (at p. 14) that Pacific "will not disclose or use the CPNI of independent PSPs without their approval, except in the provision of services to the independent PSPs" provides little comfort now that independent PSPs must direct their service orders to PubCom, a competing PSP..
- The assurance in Pacific's Reply Comments (at 31) that PubCom will not receive notification of new service orders placed for IPP payphones is contradicted by the mandate that IPPs direct their "regrade" service orders to PubCom.

The inconsistency of Pacific Bell's recent changes in service order processing procedures with the assertions made on its behalf in this proceeding require the Commission's prompt attention. The Commission should not approve the Pacific CEI Plan until Pacific Bell has satisfactorily responded to the concerns expressed in this letter, as well as to the many other outstanding concerns about the adequacy of its CEI Plan to satisfy the nondiscrimination and anti-subsidy provisions of Communications Act Section 276.

If there are any questions about this matter, please contact the undersigned at (415) 954-0313.

Very truly yours,



Martin A. Mattes  
of

GRAHAM & JAMES LLP

William F. Caton

April 10, 1997

Page 5

cc: A. Richard Metzger  
Kathy Franco  
Blaise Scinto  
Christopher Heimann  
Our File: 16063.5



January 1994

Dear COPT Vendor:

We've improved our process for handling public telephone regrades. These changes should result in quicker turnaround for COPT phone installations, faster resolution of disputes with site agents and the sharing of more information in a systematic manner.

The New Pacific Bell Regrade Process

Letter of Agency

- When you and a site agent decide to replace a Pacific Bell Public Communications phone with a COPT phone, you need to send us a standard Letter of Agency, giving you the right to perform the work. (This practice exists today.)

COPT Service Center — your main point of contact

- Our COPT Service Center (1-800-231-1863) will be your primary point of contact with Pacific Bell. Your signed Letter of Agency will remain on permanent file with our COPT Service Center and will not be forwarded to any other service group in the company. Only the following information will be given to our newly established Contract Administrator work group:
  - your name (COPT Vendor),
  - the pay telephone number, and
  - the location of the pay phone.

Contract Administrator to oversee regrades

- A Contract Administrator will operate independently of our Public Communications sales force. The administrator will:
  - determine the status of any existing Pacific Bell contract, and
  - confirm your Letter of Agency.

Faster turnaround (five business days)

- If no contract currently exists between Pacific Bell and a site agent, or there is a contract that is due to expire, the entire process — from receipt of Letter of Agency to confirmation by the site agent — will take five business days.

When the site agent can't be reached

- If we have an existing contract with the site agent and that person is unreachable, our COPT Service Center will notify you. The Contract Administrator will continue attempting to reach the site agent for five more business days. The COPT Service Center will inform you of the status of your regrade submission at the end of the entire 10 day period.
- If, after 10 days, we can't reach the site agent by phone, our Contract Administrator will send a letter to the agent, explaining that the agent's Pacific Bell Public Communications phone will be scheduled to be replaced by your phone(s). Our COPT Service Center will call you to set up installation and removal dates that fit a practical schedule for everyone.

Resolving disputes

- If the site agent disputes the regrade, the name on your Letter of Agency will be given to our Contract Administrator. This will allow the Contract Administrator to identify — for the site agent — the person who claims authority to act on the site agent's behalf.
- If the site agent refuses your Letter of Agency, we will provide you with the agent's name so that you can forward this information to whomever signed your Letter of Agency. Hopefully, this will help resolve the conflict.

These changes will affect the Public Communications tariff but do not affect the COPT tariff in any way. However, we need you to help us with the same standards and timeframes when one of your phones is being replaced with a Pacific Bell Public Communications phone.

Should you have questions or need further information, please feel free to call our COPT Service Center at 1-800-231-1863. Or you can call your account executive; in Northern California 811-1015; in Southern California 1-800-300-2382. Thank you in advance for your cooperation.

Sincerely,

Your Pacific Bell COPT Account Team